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A Fairer Trade Bill

House and Senate members are meeting to decide on final language for the Trade Promotion Authority, which instructs the White House on American goals for international trade agreements. The first two accords likely to be affected are those with Chile and the Free Trade Area of the Americas. Two particularly offensive measures need to be rejected.

One would allow companies to sue in secret trade courts when government actions — even legitimate environmental ones — reduce the value of their investment. The North American Free Trade Agreement allows investors to sue governments if they are subject to acts "tantamount to expropriation." A Canadian company is now suing California for \$970 million because the state is phasing out a gasoline additive found to contaminate water wells. Companies have won such cases, and these special courts have even overridden a Mississippi jury. Just the threat of a suit is discouraging governments from imposing necessary environmental regulations. American trade officials acknowledge the problems, but the identical rules have popped up again in the draft text of the Free Trade Area of the Americas. The trade authority must prohibit such rules.

The second mess the conferees need to fix concerns rules governing poor countries' ability to get affordable medicine. Last November in Doha, Qatar, Washington agreed to more flexible language. But drug companies have reinserted old formulas into the new bill. The standard must be the Doha declaration, with no references to negotiating goals that erase its gains.

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